

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended
June 30, 2012
With Supplemental Information Schedules**

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Annual Financial Statements
With Independent Auditor's Report
As of and for the Year Ended June 30, 2012
With Supplemental Information Schedules

C O N T E N T S

	<u>Page No.</u>
Independent Auditor's Report	3
Required Supplemental Information (Part I)	
Management's Discussion and Analysis	6
Basic Financial Statements	
	<u>Statement</u> <u>Page No.</u>
Government-Wide Financial Statements:	
Statement of Net Assets	A 11
Statement of Activities	B 12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	C 13
Reconciliation of the Governmental Funds Balance Sheet to The Financial Statement of Net Assets	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	D 15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, And Changes in Fund Balances to the Statement of Activities	16
Fiduciary - Agency Funds:	
Statement of Fiduciary Net Assets	E 17

MOREHOUSE PARISH CLERK OF COURT
 Bastrop, Louisiana
 Contents, June 30, 2012

C O N T E N T S (CONTD.)

	<u>Schedule</u>	<u>Page No.</u>
Notes to the Financial Statements		18
Required Supplemental Information (Part II):		
Budget Comparison Schedule - General Fund	1	32
Note to Budgetary Comparison Schedule		33
Employee Health Care Plan - Schedule of Funding Progress	2	34
Other Supplemental Schedules (Part III):		
Fiduciary Fund Type - Agency Funds - Combining Schedule of Changes in Unsettled Deposits	3	37
Reports Required by Government Auditing Standards (Part IV)		
Independent Auditor's Report Required by Government Auditing Standards (Part IV):		
Report on Compliance and Internal Control over Financial Reporting		40
Schedule of Findings and Questioned Costs	4	42
Summary Schedule of Prior Audit Findings	5	43

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive • West Monroe, LA 71291

Phone (318) 329-8880 • Fax (318) 329-8883

Independent Auditor's Report

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

I have audited the accompanying financial statements of the governmental activities and major fund of the Morehouse Parish Clerk of Court, a component unit of the Morehouse Parish Police Jury, as of June 30, 2012, and for the year then ended, which collectively comprise the Clerk's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Morehouse Parish Clerk of Court's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position and major fund of the Morehouse Parish Clerk of Court as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 9, the budgetary comparison information on pages 32 through 33, and the schedule of funding progress for the retiree healthcare plan on page 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with managements's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana
Independent Auditor's Report,
June 30, 2012

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Morehouse Parish Clerk of Court's office basic financial statements as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Morehouse Parish Clerk of Court. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 10, 2012, on the Morehouse Parish Clerk of Court's compliance with laws and regulations, and my consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

A handwritten signature in blue ink, appearing to read "M. J. Stanley", is written over the printed name and date.

West Monroe, Louisiana
December 10, 2012

REQUIRED SUPPLEMENTARY INFORMATION
PART I

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Management's Discussion and Analysis
June 30, 2012

As management of the Morehouse Parish Clerk of Court, I offer readers of the Morehouse Parish Clerk of Court's financial statements this narrative overview and analysis of the financial activities of the Morehouse Parish Clerk of Court for the fiscal year ended June 30, 2012. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the Clerk's basic financial statements. The annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Government-wide Financial Statements) provide information about the financial activities as a whole and illustrate a longer-term view of the Clerk of Court's finances. The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund (Fund Financial Statements) tell how these services were financed in the short term as well as what remains for future spending. Fund Financial Statements also report the operations in more detail than the Government-Wide Financial Statements by providing information about the most significant funds. This report also contains other supplementary information in addition to the basic financial statements themselves.

Our auditor has provided assurance in her independent auditor's report that the Basic Financial Statements are fairly stated. The auditor, regarding the Required Supplemental Information and the Supplemental Information is providing varying degrees of assurance. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Morehouse Parish Clerk of Court's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Morehouse Parish Clerk of Court's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Morehouse Parish Clerk of Court is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, earned, but unused, sick leave).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Morehouse Parish Clerk of Court, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Morehouse Parish Clerk of Court can be divided into two categories: governmental funds and fiduciary (agency) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Morehouse Parish Clerk of Court adopts an annual appropriated budget for the general fund. A budgetary comparison statement is provided for the major fund to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary (agency) funds are used to account for resources held for the benefit of parties outside the government. Since these resources are not available to support the Morehouse Parish Clerk of Court's programs, Fiduciary (agency) funds are not reflected in the government-wide financial statement.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Morehouse Parish Clerk of Court's performance.

The combining schedules for nonmajor governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, assets of the Morehouse Parish Clerk of Court exceeded liabilities by \$1,470,858. Approximately 1% of the Morehouse Parish Clerk of Court's net assets reflects its investment in capital assets (e.g., equipment), less any related debt used to acquire those assets that is still outstanding. These assets are not available for future spending.

The balance in unrestricted net assets is affected by two factors: 1) resources expended, over time, by the Morehouse Parish Clerk of Court to acquire capital assets from sources other than internally generated funds (i.e., debt), and 2) required depreciation on assets.

STATEMENT OF NET ASSETS
Governmental Funds

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and cash equivalents	\$2,028,299	\$1,996,492
Receivables	35,071	23,587
Capital assets (net of accumulated depreciation)	12,783	23,966
TOTAL ASSETS	<u>\$2,076,153</u>	<u>\$2,044,045</u>
LIABILITIES		
Accounts payable	\$19,101	\$5,504
Salaries payable		12,975
Withholdings payable	11,865	254
Net OPEB obligation	516,883	341,551
TOTAL LIABILITIES	<u>547,849</u>	<u>360,284</u>
NET ASSETS		
Invested in capital assets, net of related debt	12,783	23,966
Unrestricted	1,515,521	1,659,795
TOTAL NET ASSETS	<u>\$1,528,304</u>	<u>\$1,683,761</u>

STATEMENT OF ACTIVITIES

	<u>2012</u>	<u>2011</u>
Judicial:		
Personal services	\$849,238	\$835,817
Operating services	83,261	90,709
Materials and supplies	37,189	22,198
Travel	96,610	92,571
Depreciation expense	14,650	22,630
Total Program Expenses	<u>1,080,948</u>	<u>1,063,925</u>
Program revenues:		
License and permits - marriage	3,825	3,850
Clerk's supplemental compensation	20,700	21,000
Court cost, fees, and charges	257,342	257,820
Fees for recording legal documents	221,549	209,031
Fees for certified copies of documents	82,098	74,717
Criminal fees	59,154	45,793
UCC fees	76,276	59,993
Other fees	113,442	127,347
Bond forfeitures	1,926	2,486
Total program revenues	<u>836,312</u>	<u>802,037</u>
Net Program Expenses	<u>(244,636)</u>	<u>(261,888)</u>
General revenues:		
Interest earned	70,917	9,366
Other	18,262	15,849
Gain (Loss) on disposal of assets		(709)
Total general revenues	<u>89,179</u>	<u>24,506</u>
Change in Net Assets	<u>(155,457)</u>	<u>(237,382)</u>
Net Assets - Beginning of year	<u>1,683,761</u>	<u>1,921,143</u>
Net Assets - End of year	<u>\$1,528,304</u>	<u>\$1,683,761</u>

Financial Analysis of the Government's Funds

As noted earlier, the Morehouse Parish Clerk of Court uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, the General Fund unreserved, undesignated fund balance of \$2,032,404 showed an increase of \$31,058 over June 30, 2011.

General Fund Budgetary Highlights

Differences between revenues of the original budget and the final budget were due primarily to the increase in anticipated certified copies and UCC fees and decreases in court costs, fees, and charges, fees for recording, interest earnings and other fees. The differences in the expenditures of the original budget and the final budget was due to an increase in personal services and materials and supplies.

Capital Asset and Debt Administration

Capital assets. The Morehouse Parish Clerk of Court's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$12,783 (net of accumulated depreciation). This investment includes furniture and equipment. The increase in capital assets for the year were \$3,467. There was no deletions for the year.

Long-term debt. The Morehouse Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees through the clerk's group health insurance plan. Net OPEB obligation associated with the Retiree Health Plan at June 30, 2012 is \$516,883.

Requests for Information

This financial report is designed to provide a general overview of the Morehouse Parish Clerk of Court's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Morehouse Parish Clerk of Court, Courthouse Building, Bastrop, LA 71220.

December 10, 2012

BASIC FINANCIAL STATEMENTS

MOREHOUSE PARISH CLERK OF COURT
Bastrop, LouisianaSTATEMENT OF NET ASSETS
June 30, 2012**ASSETS**

Cash and cash equivalents	\$2,028,299
Receivables	35,071
Capital assets (net of accumulated depreciation)	<u>12,783</u>
TOTAL ASSETS	<u><u>\$2,076,153</u></u>

LIABILITIES

Accounts payable	\$19,101
Salaries payable	
Withholdings payable	11,865
Net OPEB obligation	<u>516,883</u>
TOTAL LIABILITIES	<u><u>547,849</u></u>

NET ASSETS

Invested in capital assets, net of related debt	12,783
Unrestricted	<u>1,515,521</u>
TOTAL NET ASSETS	<u><u>\$1,528,304</u></u>

The accompanying notes are an integral part of this statement.

Statement B**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana****STATEMENT OF ACTIVITIES
June 30, 2012****Judicial:**

Personal services	\$849,238
Operating services	83,261
Materials and supplies	37,189
Travel	96,610
Depreciation expense	14,650
Total Program Expenses	<u>1,080,948</u>

Program revenues:

License and permits - marriage	3,825
Clerk's supplemental compensation	20,700
Court cost, fees, and charges	257,342
Fees for recording legal documents	221,549
Fees for certified copies of documents	82,098
Criminal fees	59,154
UCC fees	76,276
Other fees	113,442
Bond forfeitures	1,926
Total program revenues	<u>836,312</u>
Net Program Expenses	<u>(244,636)</u>

General revenues

Interest earned	70,917
Other	18,262
Total general revenues	<u>89,179</u>

Change in Net Assets	(155,457)
Net Assets - Beginning of year	<u>1,683,761</u>
Net Assets - End of year	<u>\$1,528,304</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
GOVERNMENTAL FUNDS

Balance Sheet, June 30, 2012

ASSETS

Cash and cash equivalents	\$2,028,299
Receivables	<u>35,071</u>
TOTAL ASSETS	<u><u>\$2,063,370</u></u>

LIABILITIES AND FUND EQUITY

Liabilities:

Accounts payable	\$19,101
Withholdings payable	11,865
Fund Equity - fund balances - unassigned	<u>2,032,404</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$2,063,370</u></u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Assets

For the Year Ended June 30, 2012

Total Fund Balances - Governmental Funds (Statement C)		<u>\$2,032,404</u>
Cost of capital assets	\$234,755	
Less: Accumulated depreciation	<u>(221,972)</u>	<u>12,783</u>
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		<u>(516,883)</u>
Net Assets (Statement A)		<u><u>\$1,528,304</u></u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,
and Changes in Fund Balances

For the Year Ended June 30, 2012

REVENUES

Licenses and permits - marriage	\$3,825
Intergovernmental revenues - state funds - Clerk's supplemental compensation	20,700
Fees, charges, and commissions for services:	
Court costs, fees, and charges	257,342
Fees for recording legal documents	221,549
Fees for certified copies of documents	82,098
Criminal fees	59,154
UCC fees	76,276
Other	113,442
Bond forfeitures	1,926
Use of money and property - interest earnings	70,917
Other	18,262
Total revenues	<u>925,491</u>

EXPENDITURES

Current:

General government - judicial:	
Personal services	673,906
Operating services	83,261
Materials and supplies	37,189
Travel and other charges	96,610
Capital outlay	3,467
Total expenditures	<u>894,433</u>

**EXCESS (Deficiency) OF REVENUES
OVER EXPENDITURES**

31,058

FUND BALANCES AT BEGINNING OF YEAR

2,001,346

FUND BALANCES AT END OF YEAR

\$2,032,404

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Reconciliation of Governmental Funds
Statement of Revenue, Expenditures, and Changes
in Fund Balances to the Statement of Activities

For the Year Ended June 30, 2012

Total net change in fund balances - governmental funds (Statement D)	\$31,058
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation for the period.	(11,183)
Payments of long-term debt, including contributions to OPEB obligation, are reported as expenditures in governmental funds. However, those amounts are a reduction of long-term liabilities in the Statement of Net Assets and are not reflected in the Statement of Activities.	<u>(175,332)</u>
Change in net assets of governmental activities (Statement B)	<u><u>(\$155,457)</u></u>

The accompanying notes are an integral part of this statement.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
Statement of Fiduciary Net Assets - Agency Funds

June 30, 2012

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>NON SUPPORT</u>	<u>TOTAL</u>
ASSETS				
Cash and cash equivalents	\$782,374	\$450,495	NONE	\$1,232,869
Receivables	7,355		3,036	10,391
TOTAL ASSETS	<u>\$789,729</u>	<u>\$450,495</u>	<u>\$3,036</u>	<u>\$1,243,260</u>
LIABILITIES				
Accounts payable			\$618	\$618
Due to Others	<u>\$789,729</u>	<u>\$450,495</u>	<u>2,418</u>	<u>1,242,642</u>
TOTAL LIABILITIES	<u>\$789,729</u>	<u>\$450,495</u>	<u>\$3,036</u>	<u>\$1,243,260</u>

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

Notes to the Financial Statements
As of and For the Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the clerk of court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. The clerk of court is elected for a term of four years.

The accompanying financial statements of the Morehouse Parish Clerk of Court have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Morehouse Parish Police Jury is the financial reporting entity for Morehouse Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Morehouse Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the police jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury maintains and operates the parish courthouse in which the clerk of court's office is located and provides partial funding for equipment, furniture and supplies of the clerk of court's office, the clerk of court was determined to be a component unit of the Morehouse Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the clerk of court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the Morehouse Parish financial reporting entity.

B. BASIC FINANCIAL STATEMENTS - GOVERNMENT-WIDE STATEMENTS

The clerk of court's basic financial statements include both government-wide (reporting the clerk of court as a whole) and fund financial statements (reporting the clerk's major fund). Both government-wide and fund financial statements categorize primary activities as either governmental or business type. All activities of the clerk are classified as governmental.

The Statement of Net Assets (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the clerk, except for fiduciary funds. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

In the Statement of Net Assets, governmental activities are presented on a consolidated basis and are presented on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term obligations. Net assets are reported in three parts; invested in capital assets, net of any related debt; restricted net assets; and unrestricted net assets. The clerk first uses restricted resources to finance qualifying activities.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) are derived directly from parties outside the clerk's taxpayers or citizenry. Program revenues reduce the cost of the function to be financed from the clerk's general revenues.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

Allocation of Indirect Expenses - The clerk reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that buildings serve multiple purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

C. BASIC FINANCIAL STATEMENTS - FUND FINANCIAL STATEMENTS

The financial transactions of the clerk are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Fund financial statements report detailed information about the clerk. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The clerk of court's current operations require the use of only governmental and fiduciary funds. The governmental and fiduciary fund types used by the clerk are described as follows:

Governmental Fund Type

General Fund - The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the clerk of court and is used to account for the operations of the clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund. General operating expenditures are paid from this fund.

Fiduciary Fund Type - Agency Funds

The Advance Deposit, Registry of Court and Non Support Expense agency funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Accrual:

Both governmental and business type activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental funds and the fiduciary type agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The clerk considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are recorded in the year in which they are earned.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recognized when received by the clerk of court.

Based on the above criteria, intergovernmental revenue, recordings, cancellations, court attendance, criminal costs, and other fees, charges, and commissions for services are treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

E. CASH AND CASH EQUIVALENTS

Under state law, the clerk of court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2012, the clerk of court has cash and cash equivalents (book balances) totaling \$3,261,168.

Petty Cash	\$170
Demand deposits	1,861,552
Time deposits	<u>1,399,446</u>
Total	<u>\$3,261,168</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at June 30, 2012, are secured as follows:

Bank Balances	<u>\$3,345,400</u>
Federal deposit insurance	\$2,269,892
Pledged securities (uncollateralized)	<u>2,380,370</u>
Total	<u>\$4,650,262</u>

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the clerk, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the clerk of court that the fiscal agent has failed to pay deposited funds upon demand. Further, LRS 39:1224 states that securities held by a third party shall be deemed to be held in the clerk's name.

F. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The clerk maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are reported in the government-wide financial statements but not in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the clerk, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	20 - 40 years
Furniture and fixtures	5 - 10 years
Vehicles	5 - 15 years
Equipment	5 - 20 years

G. ANNUAL AND SICK LEAVE

All employees of the clerk of court's office earn from 5 to 20 days of vacation leave each year, depending on length of service. Vacation leave must be taken during the year earned and cannot be carried forward to the following year. All employees of the clerk's office earn five days of sick leave annually. A maximum of 420 hours (60 days) sick leave may be accumulated and carried forward to the succeeding calendar year. Employees are not paid for accumulated sick leave upon termination of employment.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

H. RISK MANAGEMENT

The clerk is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss, the clerk maintains commercial insurance policies covering his automobile, professional liability and surety bond coverage. In addition to the above policies, the clerk also maintains an errors and omissions claims paid policy with the Louisiana Clerks of Court Risk Management Agency. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended June 30, 2012.

2. RECEIVABLES

The receivables of \$45,462 as of June 30, 2012, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Agency Funds</u>	<u>Total</u>
Appropriation from State		\$3,036	\$3,036
Suits and successions		7,355	7,355
Fees, charges, and commissions for services:			
Recordings, Cancellations, Mortgages, etc.	\$26,468		26,468
Court Attendance	620		620
Criminal Fees	207		207
Salary Reimbursement	<u>7776</u>		<u>7,776</u>
Total	<u>\$35,071</u>	<u>\$10,391</u>	<u>\$45,462</u>

3. CHANGES IN CAPITAL ASSETS

A summary of changes in office furnishings and equipment follows:

Balance, June 30, 2011	\$231,288
Additions	3,467
Deletions	NONE
Balance, June 30, 2012	<u>234,755</u>
Less accumulated depreciation	<u>(221,972)</u>
Net Capital Assets	<u>\$12,783</u>

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

4. PENSION PLAN

Substantially all employees of the Morehouse Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the Morehouse Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Morehouse Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Morehouse Parish Clerk of Court's contributions to the System for the years ending June 30, 2012, 2011, and 2010, were \$83,845, \$77,362, and \$66,977, respectively, equal to the required contributions for each year.

5. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description. The Morehouse Parish Clerk of Court's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

Employees are covered by the Louisiana Clerks' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Based on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P. Complete plan provisions are included in the official plan documents.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees and 50% for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Life insurance coverage is provided to retirees and has a blended active and retired rate. The amount of insurance coverage while active is reduced to 50% of the original amount at retirement. The employer pays 100% of the cost of the retiree life insurance, but the cost is based on blended active/retired rates. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2009, the Morehouse Parish Clerk of Court recognized the cost of providing post-employment medical and life benefits (Morehouse Parish Clerk of Court's portion of the retiree medical, dental, and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2011/2012, Morehouse Parish Clerk of Court's portion of health care funding cost for retired employees totaled \$28,794.

Effective with the Fiscal Year beginning July 1, 2009, Morehouse Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 5%. The rates for each age are below:

Age	Percent Turnover
18 - 25	15.0%
26 - 40	8.0%
41 - 54	6.0%
55+	4.0%

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

Post employment Benefit Plan Eligibility Requirements. Based on past experience, it has been assumed that entitlement to benefits will commence three years after they have been assumed to enter the D.R.O.P. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana Clerk of Courts' Retirement Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: completion of 25 years of service at any age; or, attainment of age 55 and completion of 12 years of service. Base on historical experience, most employees wait until 25 years of service or until age 60 to enter D.R.O.P. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 state that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, release in July, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 50% of the cost of the medical, dental and life insurance for the retirees and dependents. Since blended rates (active and retired prior to Medicare eligibility) were provided, unblended rates applicable before Medicare eligibility were estimated and were used pursuant to GASB 45's mandate. It was estimated that the pre-Medicare retiree rates were 130% of the blended rate. The unblended rates provided for post-Medicare eligibility were used.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far in to the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Notes to the Financial Statements (Continued)

determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Morehouse Parish Clerk of Court and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Morehouse Parish Clerk of Court and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Morehouse Parish Clerk of Court and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Annual Required Contribution. Morehouse Parish Clerk of Court's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$197,407.

Net Post-employment Benefit Obligation OPEB (Asset). The table below shows Morehouse Parish Clerk of Court's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for the fiscal year ending June 30, 2012:

Annual required contribution	\$197,407
Interest on net OPEB obligation	6,831
Adjustment to annual required contribution	None
Annual OPEB cost (expense)	204,238
Contributions made	(28,906)
Increase in net OPEB obligation	175,332
Net OPEB obligation at beginning of year	341,551
Net OPEB obligation at end of year	<u>\$516,883</u>

The following table shows Morehouse Parish Clerk of Court's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

MOREHOUSE PARISH CLERK OF COURT
 Bastrop, Louisiana
 Notes to the Financial Statements (Continued)

<u>Post Employment Benefit</u>	<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
Medical/Dental/Life	June 30, 2012	\$200,798	14.0%	\$341,551

Funded Status and Funding Progress. In the fiscal year ending June 30, 2010, Morehouse Parish Clerk of Court made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$2,147,612, which is defined as that portion, as determined by a particular actuarial cost method (Morehouse Parish Clerk of Court uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009/2010, the entire actuarial accrued liability of \$2,147,612 was unfunded.

	Medical/Dental	Life
Actuarial Accrued Liability (AAL)	\$1,923,826	\$223,786
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	<u>1,923,826</u>	<u>223,786</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	<u>443,507</u>	<u>443,507</u>
UAAL as a percentage of covered payroll	4.34%	50.0%

6. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances deposits due others follows:

	<u>Advance Deposit Fund</u>	<u>Registry of Court Fund</u>	<u>Non Support Fund</u>	<u>Total</u>
Balance, June 30, 2011	\$777,155	\$460,829	\$4,901	\$1,242,885
Additions	451,978	234,934	49,765	736,677
Deletions	<u>(439,404)</u>	<u>(245,268)</u>	<u>(52,248)</u>	<u>(736,920)</u>
Balance June 30, 2012	<u>\$789,729</u>	<u>\$450,495</u>	<u>\$2,418</u>	<u>\$1,242,642</u>

7. LITIGATION AND CLAIMS

The Morehouse Parish Clerk of Court is not involved in any litigation at June 30, 2012, nor is she aware of any unasserted claims.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
Notes to the Financial Statements (Continued)

8. EXPENDITURES OF THE CLERK OF COURT
PAID BY THE POLICE JURY

The Morehouse Parish Clerk of Court's office is located in the parish courthouse. The cost of maintaining and operating the courthouse, as required by Louisiana Revised Statute 33:4715, is paid by the Morehouse Parish Police Jury.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended June 30, 2012

	ORIGINAL BUDGET	AMENDED BUDGET	ACTUAL (BUDGETARY BASIS)	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
License and permits-marriage	\$4,000	\$4,000	\$3,825	(\$175)
Intergovernmental revenues - state funds - Clerk's supplemental compensation	21,000	20,700	20,700	
Fees, charges, and commissions for services:				
Court costs, fees, and charges	275,250	258,400	257,342	(1,058)
Fees for recording legal documents	220,000	216,000	221,549	5,549
Fees for certified copies of documents	75,000	81,100	82,098	998
Criminal fees	55,000	58,000	59,154	1,154
UCC fees	59,000	78,000	76,276	(1,724)
Other	138,250	113,400	113,442	42
Bond forfeitures	2,800	2,800	1,926	(874)
Use of money and property - interest earnings	20,000	14,500	70,917	56,417
Other	20,000	18,300	18,262	(38)
Total revenues	<u>890,300</u>	<u>865,200</u>	<u>925,491</u>	<u>60,291</u>
EXPENDITURES				
Current:				
General government - judicial				
Personal services and related benefits	677,910	685,839	673,906	11,933
Operating services	88,270	90,672	83,261	7,411
Materials and supplies	20,000	32,559	37,189	(4,630)
Travel and other charges	93,216	94,336	96,610	(2,274)
Capital outlay	10,000	8,266	3,467	4,799
Total expenditures	<u>889,396</u>	<u>911,672</u>	<u>894,433</u>	<u>17,239</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	904	(46,472)	31,058	77,530
FUND BALANCE AT BEGINNING OF YEAR	<u>2,003,452</u>	<u>2,001,346</u>	<u>2,001,346</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$2,004,356</u>	<u>\$1,954,874</u>	<u>\$2,032,404</u>	<u>\$77,530</u>

See accompanying note to budgetary comparison schedule.

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2012**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Morehouse Parish Clerk's office during the month of June for comments from taxpayers. The budget is then legally adopted by the clerk and amended during the year, as necessary. The budget is established and controlled by the clerk at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

**Morehouse Parish Clerk of Court
Retiree Healthcare Plan
June 30, 2012**

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
June 30, 2009	\$0	\$2,147,612	\$2,147,612	0.00%	\$443,507	484.23%

Note:

Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that the schedule present information from the last three actuarial valuations. Because the requirements of GASB 45 were implemented starting with the year ended June 30, 2010, only one valuation is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three valuations.

OTHER SUPPLEMENTARY INFORMATION

PART III

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended June 30, 2012

FIDUCIARY FUND TYPE - AGENCY FUNDS

ADVANCE DEPOSIT FUND

The Advance Deposit Fund, as provided by Louisiana Revised Statute 13:842, accounts for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid.

REGISTRY OF COURT FUND

The Registry of Court Fund, as provided by Louisiana Revised Statute 13:475, accounts for funds which have been ordered by the court to be held until judgement has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

NON SUPPORT FUND

The Non Support Fund accounts for the collection and distribution of child support obligations and the assessment and remittance of a five per cent fee on the child support payments.

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana
FIDUCIARY FUND TYPE - AGENCY FUNDS

Combining Schedule of Changes in Unsettled
Balances Due to Taxing Bodies and Others
For the Year Ended June 30, 2012

	ADVANCE DEPOSIT FUND	REGISTRY OF COURT FUND	NON SUPPORT FUND	TOTAL
UNSETTLED DEPOSITS AT BEGINNING OF YEAR	<u>\$777,155</u>	<u>\$460,829</u>	<u>\$4,901</u>	<u>\$1,242,885</u>
ADDITIONS				
Appropriations from State			49,764	49,764
Deposits in suits	451,978	234,581		686,559
Interest earned on investments		353	1	354
Total additions	<u>451,978</u>	<u>234,934</u>	<u>49,765</u>	<u>736,677</u>
Total	<u>1,229,133</u>	<u>695,763</u>	<u>54,666</u>	<u>1,979,562</u>
REDUCTIONS				
Clerk's costs to General Fund	249,502		44,982	294,484
Deposits settled to:				
Litigants	109,314	245,268		354,582
Appraisers, curators, and keepers	7,834			7,834
Sheriff	40,367		7,266	47,633
Other reductions	<u>32,387</u>			<u>32,387</u>
Total reductions	<u>439,404</u>	<u>245,268</u>	<u>52,248</u>	<u>736,920</u>
UNSETTLED DEPOSITS AT END OF YEAR	<u><u>\$789,729</u></u>	<u><u>\$450,495</u></u>	<u><u>\$2,418</u></u>	<u><u>\$1,242,642</u></u>

**REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS
PART IV**

**Independent Auditor's Report Required
by *Government Auditing Standards***

The following independent auditor's report on compliance and internal control over financial reporting is presented in compliance with the requirements of *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

MARY JO FINLEY, CPA, INC.

A PROFESSIONAL CORPORATION

116 Professional Drive - West Monroe, LA 71291

Phone (318) 329-8880 - Fax (318) 329-8883

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance *Government Auditing Standards***

MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana

I have audited the basic financial statements of the Morehouse Parish Clerk of Court, a component unit of the Morehouse Parish Police Jury, as of and for the year ended June 30, 2012 and have issued my report thereon dated December 10, 2012. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Morehouse Parish Clerk of Court's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Morehouse Parish Clerk of Court's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Morehouse Parish Clerk of Court's internal control over financial reporting.

A deficiency in internal control exist when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

MOREHOUSE PARISH CLERK OF COURT

Bastrop, Louisiana

Independent Auditor's Report on Compliance

And Internal Control Over Financial Reporting, etc.

June 30, 2012

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morehouse Parish Clerk of Court's basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Morehouse Parish Clerk of Court, management, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513(G), this report is distributed by the Legislative Auditor as a public document.



West Monroe, Louisiana

December 10, 2012

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Morehouse Parish Clerk of Court.
2. No instances of noncompliance material to the financial statements of the Morehouse Parish Clerk of Court was disclosed during the audit.
3. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**MOREHOUSE PARISH CLERK OF COURT
Bastrop, Louisiana**

**Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012**

There were no findings reported in the audit report for the year ended June 30, 2011.